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AUTHOR Jones, John W.; Joy, Dennis
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ABSTRACT

Employee theft is widespread and difficult to detect. Many companies have attempted to control the employee theft problem through pre-employment screening. The use of paper-and-pencil honesty tests in this process has become increasingly common. These two studies empirically investigated job applicants' (N=450) reactions to taking a pre-employment honesty test. Contrary to common perceptions, the majority of applicants had no objection to taking an honesty test. Moreover, in both studies the applicants' reactions toward the honesty test were significantly related to their honesty test scores. That is, applicants who objected to taking the test were reliably more likely to have scored below standards than applicants who did not object. These results imply that organizations can feel more assured that the majority of employment applicants will probably not report major objections to taking honesty tests. Additional research is warranted in this relatively new area of inquiry. Very little research exists on how job applicants react to taking any type of employment test. (Author/ABL)

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Empirical Investigation of Job Applicants' Reactions to Taking a Pre-employment Honesty Test

John W. Jones

Dennis Joy

London House, Inc.

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Abstract

Two pilot studies examined 450 job applicants' reactions to taking a pre-employment honesty test. Contrary to common perceptions, the majority of applicants had no objection to taking an honesty test. Moreover, in both studies the applicants' reactions toward the honesty test were significantly related to their honesty test scores. That is, applicants who objected to taking the test were reliably more likely to have scored below standards than applicants who did not object. Implications of these findings are discussed.

Empirical Investigation of

Job Applicants' Reactions to Taking a

Pre-employment Honesty Test

Employee theft is widespread and difficult to detect. Hollinger and Clark (1983) attempted to quantify the base rate of this form of employee counterproductivity. They found that the average percentage of employees who admitted to theft in the workplace was 41.8% for retail sector employees, 32.2% for hospital employees, and 26.2% for those employed in manufacturing. Slora (1988) conducted an anonymous survey among fast food employees and found that 62% admitted to some type of property or cash theft, and 78% admitted to "time theft" (e.g., faking illness and calling in sick; leaving work early without permission). The above studies are only a first step towards accurately quantifying the total frequency and cost of employee theft. The existence of significant theft in the workplace is widely accepted by security researchers and professionals.

Many companies have attempted to control the employee theft problem through pre-employment screening. The use of paper-and-pencil honesty tests in this process has become increasingly common (Ash, 1988; Sackett & Harris, 1984). Standardized honesty tests that have been constructed to meet legal and professional guidelines tend to exhibit high reliability and useful levels of validity. For example, McDaniel and Jones (1988) summarized 23 studies in a meta-analysis and found that the average validity coefficient of a leading honesty test equals .50. Yet despite acceptable levels of test validity and statistically documented

reductions in shrinkage and theft losses (e.g., Terris & Jones, 1982; Brown, Jones, Terris & Steffy, 1987), some companies are hesitant to implement pre-employment honesty tests for a number of different reasons. One reason is that they think job applicants will view such tests as offensive. This paper empirically examined this issue.

Ryan and Sackett (1987) were the first researchers to scientifically assess test takers' reactions to pre-employment honesty tests. In their study, 148 college students completed a paper-and-pencil honesty test and a subsequent 10-item questionnaire that assessed their reactions to the honesty test. (The majority of the college students had previous work experience.) The questionnaire used a five point scale (agree-disagree) to such questions as, "This type of test is an invasion of privacy," and "I'd refuse to take such a test, even if it meant losing a chance at the job." Ryan and Sackett concluded that:

> "Reaction to the honesty test was less negative than many organizations considering the use of these tests might think. While some subjects found the test objectionable, the majority saw the test as an appropriate management tool." (p. 255)

For example, only about 6% of subjects "Strongly Agreed" that they would resent being asked to take an honesty test. And only about 5% of subjects "Strongly Agreed" that this type of test was an invasion of privacy. Finally, only about 2% of subjects "Strongly Agreed" that they would refuse to take such a test, even if it meant losing a chance at the job.

Two pilot studies are described that further empirically investigated job applicants' reactions to taking a pre-employment honesty test. Both studies were conducted with actual job applicants in order to maximize the relevancy of the findings. Moreover, both studies were designed to determine if applicants who scored below standards on an honesty test objected to the use of the honesty test moreso than applicants who scored above standards.

Study One

The main purpose of the first study was to assess how many job applicants were offended by pre-employment honesty tests. Another purpose was to better understand the differences between the applicants who found honesty tests to be offensive, and the applicants who more readily accepted their use. This second issue was not addressed by Ryan and Sackett (1987). It is possible that job applicants are more likely to be offended by pre-employment honesty tests if they feel the test might accurately identify them as being at risk to steal. The following hypotheses were forwarded:

1. The majority of job applicants would not complain or raise an objection about having to take a pre-employment honesty test (cf., Ryan & Sackett, 1987).
2. There will be more complaints made by applicants who score below standards on the honesty test than by applicants who score above standards, even though the applicants do not know their scores.

Method

Job Applicants

Two hundred and twenty-four job applicants (N = 234) from various retail stores completed a standard pre-employment honesty test as part of their hiring process. The majority of applicants were applying for jobs in the Midwestern United States. Although applicants were not required to record their age, sex or race on the honesty test, the test administrators reported that approximately 48% of the applicants were males and 52% were females.

Pre-employment Honesty Test

All applicants completed the honesty scale from the London House Personnel Selection Inventory (PSI; London House, 1980). The PSI is a leading paper-and-pencil honesty test that is listed in the Buros Mental Measurements Yearbook. The PSI honesty scale has a Spearman-Brown split half reliability of .95 (Terris, 1979). Sackett and Harris (1984) have reviewed a number of PSI validation studies. McDaniel and Jones (1988) summarized 23 studies in a meta-analysis and estimated an average validity coefficient against various theft criteria of .50. Over 65 test validation studies have been conducted with the PSI showing that honesty scores are significantly related to a number of theft-related criteria (Joy, 1988).

Procedure

All applicants completed the PSI as part of the hiring process. Applicants did not have access to their honesty test scores during the study. Therefore, they did not know if they scored below or above national standards. Applicants should not have felt offended at having literally "passed" or "failed" the test since they did not know their test outcome. Therefore, they should have predominately based their reactions on the process of taking such a test.

A "Comments" section was at the end of the test. Applicants were instructed to record any comments or objections they had about taking the PSI. Typically, comments found in this section relate to test length, discomfort at having to take an employment test in general, and that the test is too "prying." Applicants completed the comments section before turning in their test booklet. The completed comments sections were reviewed by the researchers for objections. Thus, the study maintained a non-obstrusive design. However, some applicants might not have taken the time to write comments or have been fully motivated to truthfully complete this section due to an obvious demand characteristic that accompanies this study (e.g., "if I give candid comments, I might not be hired"). Again, this was merely a first attempt to better understand applicants' reactions to an honesty test.

Design and Statistical Analysis

A 2 x 2 (Passed/Failed X No Objection/Objection) Chi-squared analysis was computed. Applicants passed or failed the PSI based on nationally accepted cut-offs that typically result in a 60% passing rate (cf., Terris, 1979). Personnel experts rated the applicants' comments as being "Objectionable" if the comments reflected any negative attitudes toward the PSI or the test process (e.g., "I do not know why I have to take this kind of test for such a petty job."). The applicants' comments were rated "not objectionable" if they reflected neutral (e.g., "I have no comments about this test.") or positive (e.g., "I hope you find these answers helpful.") sentiments about taking the honesty test. All subjects completed the comments section, although responses ranged from brief statements to full paragraphs. Again, applicants did not have access to either their PSI scores or the ratings of their comments.

Results and Discussion

The main results are summarized in Table 1. Inspection of Table 1 reveals that 82% of all applicants reported no objections to taking the pre-employment honesty test. These results are consistent with the findings of Ryan and Sackett (1987), and extend their work from college students to actual job applicants.

A statistically significant 2x2 Chi-squared analysis was obtained (X^2 [1] = 26.1, $p < .01$, r phi = .32). That is, applicants were more likely to complain about taking an honesty test if it turned out that they scored below standards on the test than if they passed. More

specifically, about 18% of the total applicant sample objected to some part of the honesty testing procedure. A full 83% of this group of objectors actually scored below standards on the honesty test.

Insert Table 1 Here

Study Two

One major limitation of Study One was that applicants were asked to write a narrative statement describing their reactions toward taking the honesty test. Some applicants might not have taken the time to fully describe their reactions toward the honesty test nor given fully candid answers. Study Two was conducted to both replicate the findings of Study One and to use a standard rating form (Ryan & Sackett, 1987) instead of an open comments section as a method to quantify applicants' reactions to taking a pre-employment honesty test.

Study Two was a field study conducted with one of the largest fast food restaurant chains in the country. When the company began contemplating using a pre-employment honesty test to select manager trainees, it became interested in whether or not these applicants would find the test offensive. The company was also curious as to whether or not applicants would view the request to take the test as being an invasion of privacy, and if the use of an honesty test would reflect negatively on

the company. Study Two empirically investigated these types of issues. Study Two also examined if applicants who held more negative views of honesty tests were more likely to be those who scored below standards on the test. The same hypotheses forwarded in Study One were made here.

Method

Job Applicants

In this study, 226 manager trainee applicants from throughout the United States completed an honesty test as part of their hiring process. The applicants were being considered for training by a fast food restaurant chain. Demographic information such as age, sex, and race was not asked on the honesty test, and therefore could not be analyzed. However, test administrators reported that approximately 85% of the applicants were males, and 15% were females.

Procedure

The applicants completed the PSI honesty scale that was described in Study One. Applicants scored above or below standards using the same cut-off scores as in Study One. The applicants did not have access to their test scores at any time during the study.

Applicants also completed a slightly modified version of the test taker reaction questionnaire developed and used by Ryan and Sackett (1987). That is, the questionnaire was slightly reworded so that it would be applicable to job applicants and not college students. The questionnaire assesses applicants' reactions toward taking tests. Each

item was rated on a 5-point Likert-type scale ranging from "Agree Strongly" (1) to "Disagree Strongly" (5). Items 1, 3, 9 and 10 were worded so that higher scores meant more negative attitudes toward the test. Items 2, 4, 5, 6, 7, and 8 were worded so that higher scores meant more positive attitudes. The 10 items are presented in Table 2.

For all between-group analyses reported in Table 3, items 1, 3, 9 and 10 were reverse scored so that higher scores reflect greater acceptance of the honesty test. Moreover, the 10 items were summed to yield an overall test taker reaction score. The final score could theoretically range from 10 to 50. A score of 10 would represent a very strong negative reaction toward the honesty test, while a score of 50 would represent a very strong positive reaction. The alpha-reliability coefficient of the Ryan-Sackett test taker questionnaire equaled .80.

Results and Discussion

The percent of applicants choosing each response on the test taker reaction questionnaire is summarized in Table 2. A review of Table 2 shows that applicants' responses to each item were more positive than negative. This pattern of results is consistent with Study One and also generalizes the findings of Ryan and Sackett (1987) from college students to employment applicants.

Insert Table 2 Here

Descriptive statistics for each of the questionnaire items and the total questionnaire score are presented in Table 3. Again, all items were coded so that higher scores reflect greater acceptance of the honesty test. For nine of the 10 items, the item means were above 4.0. Also, the average total score was 42.61 (S.D. = 5.8). These findings support the notion that honesty tests were perceived much more positively than negatively.

A finer review of some of the major findings in Table 2 shows that about 80% of the applicants agreed to some extent that it was appropriate for an employer to use honesty tests. About 69% disagreed with the position that honesty tests are an invasion of privacy, while another 20% were neutral in their opinions toward the privacy issue. Finally, about 82% disagreed with the notion that use of honesty tests reflects negatively on the organization. In fact, about 90% thought that this type of questionnaire is routinely used by industry today.

Demand characteristics might have influenced some applicants' responses to the test taker questionnaire. Future research should attempt to account for any demand characteristics that may influence applicants' ratings of their reactions toward taking an honesty test. A conservative interpretation of the results is that the majority of applicants did not report adverse reactions toward the test, nor did they report negative perceptions of the organization that administered the test. These results need to be replicated with other types of applicant samples.

Study One showed that applicants are more likely to view honesty tests as being offensive if they score below standards on the test. Using a previously established cut-off score for the honesty scale (see Study One), the applicant sample was divided into those "passing" the PSI (N=169) and those "failing" the inventory (N=57). Independent t-tests were computed for each of the 10 questionnaire items as well as the total scale score. These between-group differences are also summarized in Table 3. Significant differences between the "passing" and "failing" groups were found for seven of the 10 items and for the total reaction score. These results are in the predicted direction and replicate the findings in Study One. That is, the applicants who scored poorer on the honesty test were apparently more motivated to express dissatisfaction with taking the test.

Insert Table 3 Here

While the below-standard group held more negative or defensive views compared to the above-standard group, the below-standard group's reactions were still in the range where they agreed the test was fairly acceptable and nonoffensive. Even for the items where there were no significant between-group differences, average scores for both groups were at the high or positive end of the scale. Hence, while there are differences in reactions between the two groups of job applicants, the test was perceived more positively than negatively by both groups. Since

there was substantial overlap in the two groups' distribution of scores, these findings may have more theoretical significance than practical application.

Post-Hoc Analysis

One might speculate that the reason the applicants in the below-standard group were slightly more offended was because they were angry at having failed the test and being misclassified. This argument is weak, however. First, since the applicants were "blind" to their "pass-fail" status on the honesty test, they did not know if they scored above or below standards. How can they be angry at failing the test if they did not know their test results?

Table 4 also reveals that some subjects in Study Two made admissions of past employee theft in an unscored section of the PSI booklet. One might hypothesize that below-standard subjects who did not make an admission of past theft would be more offended than below-standard subjects who did make an admission. This hypothesis is based on the notion that if you admitted to a history of theft and scored below standards you might feel properly classified with the test. However, if you scored below standards and did not make a theft admission there is the chance that you would feel misclassified as a "false positive" (i.e., someone who scores below standards on the honesty test yet would never end up stealing in the workplace). The dependent variable in Table 4 is the overall offensiveness score that was analyzed in Table 3.

A review of Table 4 shows a non-significant F-ratio was obtained for the theft status-by-test outcome interaction. This finding does not support the contention that below-standard applicants who did not make an

admission of theft would feel most offended. Again, the analysis in Table 4 was probably unnecessary since applicants were unaware of their test scores.

General Discussion

Studies One and Two have a few practical implications, although more research is needed in this area using improved research designs. First, organizations can feel more assured that the majority of employment applicants will probably not report major objections to taking honesty tests. If applicants do raise objections, then they are slightly more likely not to pass company standards on the test due to their more tolerant attitudes toward theft. The applicants who score below standards might object to the test because they perceive that the hiring company will not tolerate on-the-job theft, as evidenced by the fact that the company uses pre-employment honesty tests. Parenthetically, Hollinger and Clark (1983) claim that employees are able to readily detect if an employer is truly committed to controlling employee theft, and such a perception creates a deterrent effect against employee counterproductivity.

Additional research is warranted in this relatively new area of inquiry. Very little research exists on how job applicants react to taking any type of employment test. For example, how would job applicants rate honesty tests in relation to other types of employment tests (e.g., cognitive ability tests).

Jones (1989) recently found that a leading overt honesty test was significantly less offensive than two personality-based measures of delinquency. Jones speculated this was due to the obvious job-relatedness of the overt honesty test. In fact, Jones obtained a statistically significant correlation between ratings of job-relatedness and offensiveness for a number of different test items ($r = .58$).

Test administrators can also be surveyed to assess their perceptions of how job applicants react to pre-employment honesty tests. Calhoun (1988) recently surveyed eight restaurant managers who administered an honesty test to 181 job applicants applying for work. In his survey, all eight managers agreed that applicants were "very willing" to take the honesty test. Moreover, all eight indicated that it was very easy to combine honesty test scores with the interview results. Surveying test administrators can serve as another research method to gauge test takers' reactions to honesty tests if the demand characteristics on the test administrators can be accounted for.

Honesty tests are reliable, valid, and quasi-experiments suggest they are capable of reducing theft-related losses in organizations (McDaniel & Jones, 1988). Honesty tests have been used by industry for over 20 years (Ash, 1988). Moreover, this research and the research conducted by Ryan and Sackett (1987) suggests that the majority of applicants will probably not be offended when asked to take a pre-employment honesty test. The information in this study serves as a useful adjunct to the reliability, validity, test fairness, and loss reduction studies that have been the

focus of recent honesty test research. Empirical research is starting to disprove the perception that honesty tests are offensive to applicants. Misconceptions about any personnel selection procedures should always be scientifically tested before they are inappropriately accepted as truth.

Table 1

Job Applicants' Reactions to an Honesty Test

	"Passed" Test	"Failed" Test	Totals
No Objections to Test	114	70	184
Objections to Test	7	33	40
Totals	121	103	224

X^2 [1] = 26.1, $p < .01$

r phi = .32

Table 2

Percent Choosing each Response on the Test Taker Reaction Questionnaire

(N = 226 Manager Trainee Applicants)

Item	Agree Strongly	Agree Somewhat	Neither Agree nor Disagree	Disagree Somewhat	Disagree Strongly
1. It is perfectly appropriate for an employer to administer such questionnaire.	60	30	7	2	1
2. I would refuse to take such a questionnaire, even if it meant losing a chance at a job.	3	1	8	18	70
3. I would enjoy being asked to take such a questionnaire.	38	25	29	6	2
4. This type of questionnaire is an invasion of privacy.	1	10	20	24	45
5. If I had two comparable job offers, I would reject the company that used such a questionnaire.	1	1	18	19	61
6. I resent being asked to take such a questionnaire	3	0	19	14	64
7. A questionnaire such as this is an inappropriate selection procedure.	1	4	13	34	48
8. Administering a questionnaire such as this reflects negatively on the organization.	3	2	13	24	58
9. Being asked to take such a questionnaire would not affect my view of the organization.	60	20	9	5	6
10. Questionnaires such as this are routinely used in industry today.	45	35	18	2	0

Table 3

Job Applicants' Reactions to an Honesty Test

Item *	Overall (N = 226)		"Pass Group" (N = 169)		"Fail Group" (N = 57)			
	$\bar{X}$	S.D.	$\bar{X}$	S.D.	$\bar{X}$	S.D.	t	p**
1)	4.47	.78	4.50	.80	4.37	.72	1.13	.130
2)	4.50	.93	4.57	.89	4.28	1.03	2.07	.019
3)	3.91	1.05	4.01	1.07	3.61	.94	2.46	.007
4)	4.01	1.09	4.08	1.08	3.79	1.10	1.77	.039
5)	4.38	.90	4.49	.85	4.05	.97	3.21	.001
6)	4.34	1.01	4.41	1.00	4.14	1.04	1.73	.042
7)	4.24	.90	4.32	.89	4.00	.91	2.34	.010
8)	4.32	.97	4.35	.99	4.26	.90	.62	.268
9)	4.23	1.17	4.24	1.22	4.21	1.01	.18	.429
10)	4.20	.86	4.27	.85	4.02	.88	1.90	.029
Total score	42.61	5.80	43.24	5.61	40.74	5.97	2.87	.002

* All items were coded so that higher scores mean greater acceptance.

** One-tailed tests of significance were used since directional hypotheses were forwarded.

Table 4

Post-Hoc Analysis

Test Outcome

Theft Status	Below Standards	Above Standards
Theft Admissions	M = 40.95 (N = 40)	M = 43.59 (N = 22)
No Admissions	M = 40.24 (N = 17)	M = 43.19 (N = 147)

Analysis of Variance

Source of Variance:	d.f.	F	Significance
Main Effects:	2	4.205	.016
Theft Status	1	.257	.613
Test Outcome	1	7.048	.009
Status x Outcome Interaction:	1	.022	.882
Explained	3	2.811	.040
Residual	222		
Total	225		

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